Information Needs for Policy Evaluation: The Example of Income Objectives of Agricultural Policies in OECD Countries

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Abstract

Although securing adequate and stable income levels for farm households still figures prominently among agricultural policy objectives in many OECD countries, there is usually no precise definition of income targets and information to evaluate achievements is often inadequate.

There is, nevertheless, a need to evaluate domestic policy, both in terms of public accountability and economic efficiency. It is a challenge for statistical systems to adjust to new policies that create new needs, all the more when policy makers do not define objectives clearly and in measurable terms.

In the short term, OECD analysts have chosen to use existing information, even if imperfect to evaluate policies with regard to their income objectives. They are, in parallel, trying to raise awareness on information needs, and to suggest solutions for improvement in data collection and analysis. This paper summarises the main findings of a comprehensive OECD study on income issues, while focusing on information questions. It then suggests how obstacles to improvements in data collection could be overcome, based on discussions that took place at a joint OECD/PACIOLI Workshop on Information needs for analysing farm household income issues, and at various IWG.AGRI Seminars to identify future needs in the area of agricultural statistics.

1. Introduction

As part as its mandate to assess current support policies, not only in terms of their effectiveness and efficiency to achieve their objectives, but also in terms of operational criteria such as targeting and equity (OECD, 1998), the OECD Directorate for Food, Agriculture and Fisheries has, since the mid-90s, undertook to gather evidence in order to assess whether the belief that farm households need to be supported on income grounds still holds and whether current policies are efficient in pursuing stated income objectives.

Information published in Member countries has therefore been gathered and analysed in a study of farm household income issues and policy responses (OECD, 2003). This OECD income study is used to illustrate how existing data can be used to assess policies with regard to their (income) objectives, and to shed light on data needed to implement more efficient policies. Income objectives, stated or implied, were first identified. The income situation of farm households was then reviewed and compared to that of other households. The effectiveness

and efficiency of agricultural, fiscal and social policies with regard to income objectives was assessed and alternative approaches suggested.

In terms of information needs, the OECD income study led to the conclusion that in many countries, income support policies have been designed and implemented in the absence of adequate information on the income situation of farm households. It also outlined the importance of collecting comprehensive and flexible information on the economic situation of farm households in order to assess the problems and needs of the sector and to implement appropriate measures.

This issue of data improvement was considered as meriting further attention. The 8th IWG.AGRI Seminar "Perspectives for Agriculture and Rural Indicators and Sustainability" held on 21-22 November 2002 at the OECD in Paris examined the statistical implications stemming from the need to develop a "wider view" of agriculture, encompassing the economic, social and environmental dimension.¹ In subsequent efforts to attract attention to the need for better information in this area, the OECD Secretariat participated in discussions of information needs to better design and evaluate income policies in various fora, including the recent joint OECD/PACIOLI Workshop on Information needs for analysing farm household income issues held in Paris on 29-30 April 2004², recent meetings of the PACIOLI network and the IWG International Task Force on Statistics on Rural Development and Agriculture Household Income, which will report in June 2005 on its results.

Discussion at the Paris Workshop helped clarify data needs and deficiencies. Data needs for policy design and evaluation are discussed in Section 2. The main findings of the OECD income study are summarised in Section 3. Finally, suggestions for lifting obstacles to improvements in data collection that were made at the OECD/PACIOLI Workshop are summarised in Section 4. This

The 8th IWG.AGRI PARIS Seminar attracted over 120 experts from OECD and non-1. OECD countries and has been key in leading to the preparation of MEXSAI. See in particular the following papers presented at the Seminar and available at http://www.oecd.org/document/28/0,2340,en 2649 34231 1942236 1 1 1 1,00.html: Offutt, S. (2002), "Policy change and data obsolescence" STD/NAES/AGR(2002)1. Lindner, A. (2002), "Statistical challenges of a wider view of agriculture" STD/NAES/AGR(2002)2. Galarza, J.-M. (2002), "A national information system for sustainable rural development" STD/NAES/AGR(2002)6. Hill, B. (2002), "Measurement issues to be addressed when calculating income and

integrated accounts" STD/NAES/AGR(2002)14.

Vogel, F. (2002), "Future issues for agricultural statistics" STD/NAES/AGR(2002)19.

Presentations made at this workshop are available on www.oecd.org/agr/policy under publications and documents, then events and meetings. An OECD Policy Brief (OECD, 2004a) summarises the discussion that took place at the workshop and the proceedings will be jointly published by OECD and PACIOLI in OECD/PACIOLI (2004).

session of the MEXSAI conference is also expected to contribute to a better understanding of data needs and uses in this area.

2. Information Needs to Evaluate Policies

2.1. What Are Income Objectives of Agricultural Policies?

Although the scope of objectives attributed to agricultural policies has broadened, income objectives are still appear to be prominent in OECD countries. They are not often clearly stated but are often expressed in terms of achieving income parity with other sectors, tackling low income problems, and reducing the variability of income within agriculture. Do farm households achieve, on average, income levels that are on a par with the rest of the economy? Is the incidence of low income higher in agriculture than in other sectors? How large are income inequalities within the sector? Is income variability higher among farm households than other households? These are the most frequently asked questions. They help analysts and statisticians interpreting policy objectives that are often not specified precisely in policy declarations.

2.2. What Indicators Are Needed to Evaluate Achievements?

Because clear criteria about the targeted households and the measure of income of interest are often missing, analysts have had to interpret stated objectives and propose indicators to gauge progress.

Farm income provides only a very partial view of the income situation of a farm household. Farm households derive a significant share of their income from sources other than farming. In order to reflect the income situation of farm households all sources of income should be taken into account. For a full assessment of the economic situation of farm families, farm and household assets should also be considered in combination with income in addition to total or disposable household income, in particular in the case of farm families who own part or all of the factors of production farmed. Not only does wealth give rise to income but it provides security and financial leverage. It therefore affects the ability to consume and, in the case of farms, the viability of the activity. Additional information on household expenditures and other social and personal factors such as health or leisure are also necessary to assess the well-being of farm households.

Such information should be made available on the same basis across the economy to allow comparison between farm and other groups. To be relevant and to increase the number of potential uses and users, information should also be collected in a flexible and disaggregated way. Structural, but also behavioural and human capital information on farm households is needed to identify the cause of individual income problems and design appropriate remedies.

In order to understand and monitor the variability of farm receipts at the individual level, panel data need to be collected. Three-year averages (or five years excluding extremes), which smooth farm income fluctuations and provide better estimates of the income situation, can then be calculated.

2.3. What Information Was Used in the OECD Income Study?

Given data and resource constraints, farm household income was the indicator chosen to reflect the income situation of farm households. It includes farm income, defined as net income from farming activities, and income from non-farm activities, investments, social transfers and other sources (Diagram 1). Measurement issues are discussed briefly in Box 1 and at greater length in Hill (2003).

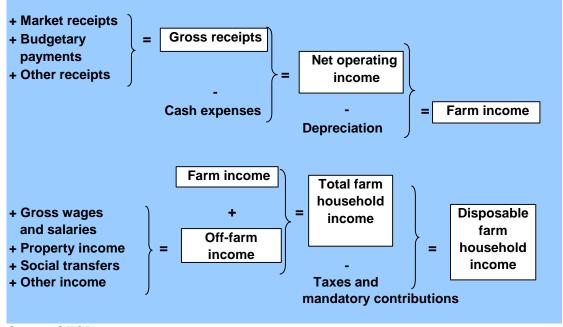


Diagram 1. Components of Farm Household Income

Source: OECD, 2003.

Various sources of data were used. For some European countries, aggregate data from a EUROSTAT project that collects aggregate data on the total income of agricultural households for European Union (EU) member countries (EUROSTAT, 2002) was used to compare the income of farm households with that of other households and calculate the share of farm income in total income. However, this project often adopts a narrow definition of farm households (main occupation farms of a minimum size for example). Consequently, whenever possible, national statistics that define farm households more broadly are used, in order to give a wider picture of the sector.

To look at the distribution of income or the incidence of low income among farm households compared to other households, at the change in income over time, and the impact of agricultural, social and taxation policies, microeconomic data were used. They either come from specific surveys (farm, household expenditure, or income surveys), or from tax and social transfers files. Economy-wide surveys allow comparison between farm households and other households. In many cases, however, the sample of farm households proves to be too small to allow a detailed and representative distributional analysis. The LIS (Luxembourg Income Study), which contains micro data from national household surveys, allows such a comparison for at least some countries and has been used in the analysis of the incidence of low income in different categories of households reported in OECD (2001) and summarised in this paper. Specific farm surveys provide useful structural information on farm households, allowing the income situation to be related to structural characteristics, but they do not permit direct comparison with other households (unless linked with an economy-wide survey). The OECD structural database, which has been used to analyse the impact of support on the distribution of income, contains such data.

Box 1. Measurement Issues

Is the appropriate information widely available? There are problems of availability, quality and access to relevant data in OECD countries. Do the data collected allow progress towards income objectives to be systematically and accurately measured? For many countries the answer is no. In some cases the data are seriously out of date. Additional difficulties are created by the fact that in many countries the definitions adopted for households, income, etc., are too narrow to allow the real income status of farm households to be evaluated. The number of farm households in economy-wide income surveys is often too small to be representative, which makes it difficult to compare the situation of farm households with that of other households. Finally, farm household income can be underestimated. Income in-kind is often not taken into account and there can be problems linked to confidentiality and asymmetric information with reporting income in surveys. Farm self-employment income, in particular, might not be fully captured.

Are data comparable across countries? In general, they are not. First, the definition of farm households varies both with respect to who constitutes a household (which family members) and with respect to what constitutes a farm household (what level of sales, amount of land farmed, share of income from farming or other indicator qualifies a household as a farm household). There are enormous differences among countries with respect to these variables. Second, there are differences in the indicators of income that are reported, although with detailed information on farm accounts a common definition of farm income can be adopted. The coverage of income sources often differs. In particular, there are still many countries in which off-farm sources of income of farm households are not reported. For these reasons, comparisons across countries have not been attempted in this report. For each country where data are available, income components are compared between farm and non-farm sectors and across various groups in the agricultural sector.

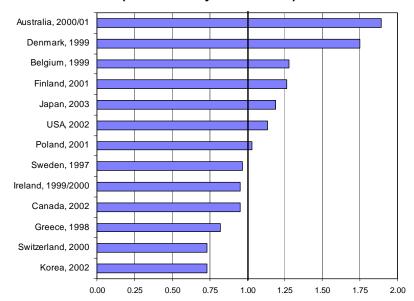
3. Main Findings from the OECD Income Study

3.1. What is the Income Situation of Farm Households?

Farm households achieve income parity at the aggregate level in most OECD countries.

In most OECD countries for which data are available, the average income of farm households is close to the economy-wide average (Figure 1).

Figure 1. Total Income of Farm Households as a Ratio of That of All/Other Households¹ (most recent year available)



Data are not comparable across countries.

Source: OECD, 2004b.

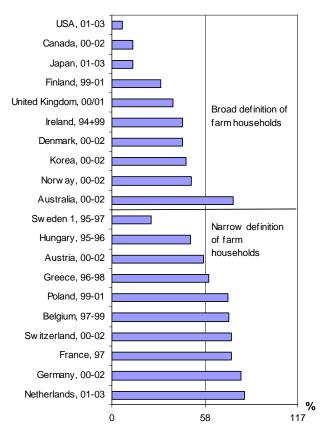
Farm households derive a significant part of their total income from non-agricultural sources.

This is the case even when a very restrictive definition³ of farm households is adopted (Figure 2). Where a broad definition of farm households is adopted, farm income is not even the main source, reflecting the diversity of farm households, which include pluriactive, retirement or hobby farm households.

Figure 2. Percentage Share of Farm Income in Total Income of Farm Households (average of the three most recent years available)

^{1.} All households except for Japan, where it is workers' households and Korea, where it is urban households.

^{3.} A more restrictive definition involves the exclusion of smaller farms (based on gross sales or area) and part-time farmers, for whom farm income is not the main source of income or for whom agricultural activity is not the main activity.



Data are not comparable across countries.

1. Income from independent activities.

Source: OECD, 2004a, 2004b.

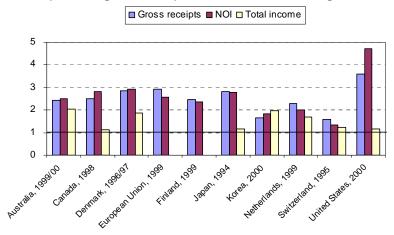
Regardless of definition, wages and salaries were the main source of off-farm income in three-quarters of the countries examined. Often, the farm operator is employed outside the farm but increasingly his/her spouse may also have off-farm employment. Cases where social transfers are higher than salaries and wages are found in countries which restrict the definition of a farm household to the operator, whose main occupation is farming, and the spouse. Finally, property income is the primary source of off-farm income in the United Kingdom only, but comes next in importance in close to a third of the countries reviewed. The results do not generally depend on the year chosen.

There are large income disparities within the agricultural sector.

Many factors such as region, the structural characteristics of the farm and the household, and the economic environment, in particular the opportunities for off-farm earnings, affect the total income of farm households. Differences in average income by farm size and farm type in selected OECD countries, based

on structural farm account data, are presented here⁴. In most countries reviewed, the average net operating income (NOI)⁵ of farms in the top quartile⁶ is two to three times bigger than that of the average of all farms (Figure 3).

Figure 3. Average Gross Receipts, Net Operating Farm Income and Total Income of the Top Quartile (25% Largest Farms) as a Ratio of the Average of All Farms



Data are not comparable across countries.

NOI: Net operating income. See Diagram 1 for a definition of income indicators. *Source:* OECD structural database (OECD, 2003).

Owing to differences in farm size, in productivity and in levels of support between commodities, there are also income disparities between farm types although they are not as large as between farms classified by gross sales (OECD, 2003). Similarly, there are income differences by region, which stem from regional variations in the economic size of farms, type of farming and rate of support for each commodity, and how widely regions are defined. These issues were briefly examined in OECD (1999). In all cases, when non-agricultural incomes are taken into account, differences in income by farm size, type and region are reduced.

The incidence of low income is often higher among farm households than in the rest of society.

In many countries, available evidence suggests that in the mid-1990s the incidence of low income was higher among farm households than among non-farm households. The low-income rate (defined in note 1 of Figure 4) was higher for farm households than non-farm households in 9 out of 14 countries, slightly lower in three (Canada, the Czech Republic and Finland), but significantly lower in two (Norway and the United States) (Figure 4). The low-income gap was

^{4.} See OECD (1999) for a description of the characteristics of national farm account data. Whenever possible, the analysis reported here has been updated to use the most recent data available.

^{5.} See Diagram 1 for a definition of income indicators.

^{6.} The top quartile contains the 25% largest farms, based on gross sales.

bigger for farm than for non-farm households in all the examined countries (note 2 of Figure 4). When the analysis is repeated using a narrow definition of the farm household, inequality is greater (OECD, 2001). In other words, farm households which rely more on farm activities are more frequently included in the low-income category. This confirms the importance of off-farm activities.

Figure 4. Low-Income Rate and Low Income Gap: Farm Versus Non-Farm Households Low-income rate¹ Low-income gap² ■ Farm households ■ Non-farm households ■ Farm household ■ Non-farm households 120 100 30 80 20 60 40 11aly, 1995 Hungary, 1994 Treland, 1987 Finland, 1995 France, 1994 Taly, 1995 Poland, 1995

- 1. The low-income rate is the share of individual farm households with incomes falling below the low-income line (50% of median income of all households).
- 2. The low-income gap is the difference between the average income of the low-income farm households and the low-income line (the average income gap). *Source:* OECD, 2001 (LIS data).

3.2. What is the Impact of Fiscal, Social and Agricultural Support Policies on Farm Household Income?

Support raises farm household income...

The Producer Support Estimate (PSE) expressed as a percentage of gross receipts explains, in static terms, the share of gross receipts that comes from government support. For example, in the OECD area, one third of gross receipts resulted from support in 2001-03 (OECD, 2004c). We cannot deduce from the PSE, however, that farm household incomes would fall by an equivalent percentage if all government support was removed given that in the absence of support, adjustments would occur.

...but its efficiency in transferring income to farm households is low,

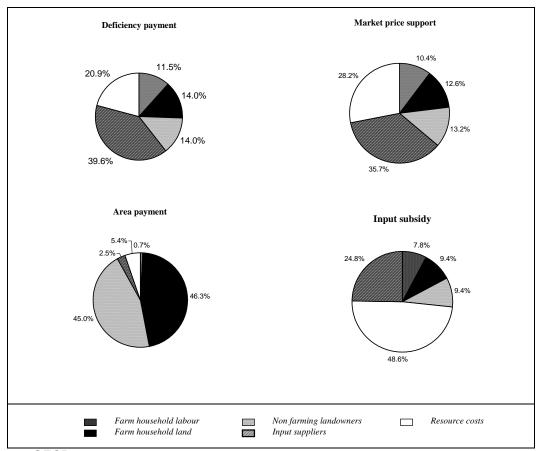
A large share of the transfers generated by agricultural policy and included in the PSE does not necessarily translate into net income gains for farm households. There are two sources of transfer losses that limit the income transfer efficiency of policy measures. The first is economic costs, which result from distortions in the use of resources and its incidence on production and trade patterns. The second source of loss is distributive leakages, whereby some of the benefits of support accrue to groups other than the intended beneficiaries. This latter category includes the costs of administering farm programmes (which are not

accounted for in this analysis), the extra purchases that farmers are required to make from input suppliers, the share captured by downstream industries, additional payments to landlords and income transfers to (or from) other countries.

According to OECD estimates of income transfer efficiency, no support policy linked to agricultural activity succeeds in delivering more than half the monetary transfers from consumers and taxpayers as additional income to farm households. In the case of market price support and deficiency payments, the share is one fourth or less, and for input subsidies it is less than one-fifth (Figure 5).

In the case of market price support and deficiency payments, the stimulus to output, and hence to input demand, means that much of the increase in receipts is transmitted back to input suppliers or capitalized into land values. Not surprisingly, input suppliers reap most of the benefits of input subsidies. In the case of area payments, nearly all the benefits are absorbed in increased land values.

Figure 5. Where Does the Money Go? The Income Transfer Efficiency of Agricultural Support



Source: OECD, 2003.

...and support is unequally distributed: most goes to larger farmers.

The static comparison between the distribution of support and that of gross receipts indicates the nature of the impact support has on the distribution of income⁷. Distributions by farm size, farm type and region have been examined for selected countries. Using the same methodology as in OECD (1999), the distribution of gross receipts, support and income by farm size is compared in Figure 6, which shows the share of the 25% largest farms in gross receipts, support and income.

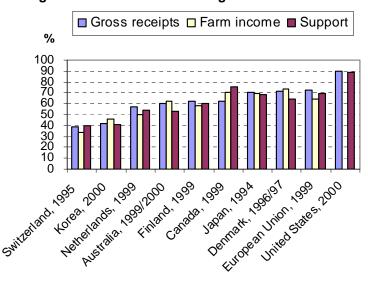


Figure 6. Share of the 25% Largest Farms in:

Data are not comparable across countries. Source: OECD structural database (OECD, 2004b).

The distribution of support by farm size is similar to the distribution of gross receipts. This is because a large share of support in the OECD area is linked to the level of production⁸ or the level of input,⁹ and also because in many cases, support accounts for a significant share of gross receipts. The largest farms, and often the most prosperous ones, are therefore the main beneficiaries. Figure 6 shows that the top 25% of farms receive between 40 and 90% of support. In this sense, support is inequitable. On average, direct payments are more equally distributed than market price support and gross receipts but the difference is generally small. We can conclude overall that, in most countries, support has a

^{7.} It should be noted that support is included in the value of gross receipts.

^{8.} Over 65% of the PSE in the OECD area came from market price support measures and payments based on output in 2001-03 (OECD, 2004c).

^{9.} In 2001-03, payments based on area planted or animal numbers and payments based on input use accounted respectively for 15 and 9% of the PSE for the OECD area (OECD, 2004c).

rather small redistributional effect by farm size because it is only slightly less unequally distributed than gross receipts.

The impact of support on income disparities by farm type depends on how wide differences in support level are in the country and on how narrowly farm types have been defined. In the European Union, for example, support has widened disparities between dairy and intensive livestock farms on the one hand and field crop and cattle farms on the other. There are, nonetheless, few examples where support narrows disparities between farm types but the effect is relatively small. Overall, support increases income disparities between farm types (Figure 14 in OECD, 2003).

There are also regional differences in the distribution of support. While support linked to output automatically goes to larger farms, direct payments can be targeted to less favoured areas. Although this is done to some extent in Switzerland and the EU, inequality nonetheless persists despite these efforts (OECD, 1999).

3.3. Are Policy Measures Effectively Achieving the Objectives Set for them in Terms of the Level, Variability and Distribution of Farm Household Incomes?

Overall, support policies, whatever their objectives, do raise farm income levels to some extent and reduce their variability, but this would seem to be achieved at significantly greater cost to consumers and taxpayers than necessary.

The evidence presented here suggests that there are significant problems in delivering income support to farm households through the types of sector specific measures and policies that have been pursued to date. The main problems relate to **targeting** – the great bulk of the measures used are broad and untargeted in nature - to **equity** – because the measures are still predominantly based on production or factors of production they fail to change the income distribution in any significant way and most of the support that reaches the sector goes to larger farm households, who do not usually need it - and to **leakages** – much of the support is transferred to unintended beneficiaries.

In addition, as much of the support in OECD countries is linked to production or input use there have been **significant international spillover effects**. Production enhancing support raises domestic farm income but contributes to lower world prices, which in turn depress farm income in other parts of the world. Policies that reduce income risk faced by farmers also affect production decisions, often to the same extent as price support. In addition, by reducing adjustment in the domestic market, they transfer domestic instability to the world market and therefore switch the burden of adjustment to other countries (OECD, 2003).

3.4. Which Policy Instruments Would Transfer Income to Farm Households More Effectively and More Equitably?

To design and implement efficient policies, **income objectives have to be clearly defined** in the national policy process. In particular, some income criteria need to be developed to define and identify the targeted households. All sources of income should be taken into account in identifying the households to be targeted, as well as household wealth. For example, criteria could be set concerning the level of income or the variability of individual farm household income that would trigger intervention, if indeed the prevailing policy concerns involve those criteria.

There are several possible policy responses to low-income problems among farm households. Government should first consider ways to **develop market solutions**. It is important to understand the cause of low income in order to find the most effective remedy. If governments are unwilling to see less efficient farmers leave the sector because they provide economic and social benefits that are not, and cannot be, rewarded by the market, the optimal policy would be to give farmers the appropriate incentive to provide these benefits, using for example decoupled and targeted payments

Similarly, regarding income risk management, government **should encourage the development of contingency arrangements** such as insurance and futures markets, for example through the collection and transmission of information to reduce problems created by information asymmetry; or training programmes in the use of futures markets to reduce income risk. Agricultural safety nets could then be envisaged to address any remaining risk management failure.

From an income transfer efficiency point of view, support that is decoupled from agricultural activity and targeted specifically to income would be much better as a way to transfer income to farm households. Such direct income payments minimise economic distortions and distributive leakages because their effects on production decisions are minimal, and they can be targeted and delivered to those households that are deemed to warrant assistance.

More generally, government could **invest in general services** for the sector, such as expenditures on infrastructure, training, research and development, that improve the functioning of agricultural markets and allow farmers to increase their competitiveness. Low income may be experienced by farm households that are resource-poor and located in areas where there is also a problem of lack of viable economic alternatives. The solution in this type of situation is not necessarily a sector-specific income support scheme. Investment in infrastructure to make rural areas more attractive to investors and transitional assistance to more viable economic activities may be of greater benefit.

Sequencing is important. As policies to address market failures in the agricultural sector will have an impact on the income of farmers, there is a logical case for applying measures that first correct market failures and then address any outstanding concerns about incomes, using the types of measures indicated above. Finally, general tax and social security systems are in place in most, if not all, OECD countries. These structures are well placed to identify remaining low-income problems among agricultural households and ensure equal treatment vis-à-vis other classes of households.

3.5. Better Information is Needed to Design More Efficient and Targeted Policies

In most countries, systems exist to monitor the income situation of farm households but they are incomplete, out of date and not consistent between micro and macro data, between different types of farm surveys, between farm and general surveys, and across countries. Income concepts and typologies based on commodity production are outdated and no longer relevant given the increasing diversity in income sources and the trend towards the decoupling of policy measures from production.

It is important, in order to assess the problems and needs of the sector and to implement targeted measures, that comprehensive information on the economic situation of farm households be available, as described above. Issues related to farm household income data availability and quality are not just, or even primarily, of interest to analysts and statisticians. The principal beneficiaries of improved information would be policy makers and the public they serve. Until the coverage, timeliness and consistency of national microeconomic data is improved, policy measures, ostensibly aimed at improving the incomes of farm households, will be implemented without adequate knowledge of the nature, incidence or even existence of the problem that they are attempting to solve.

4. How to Obtain Better Information?

There are obstacles to obtaining required information. They are administrative, political and, to some extent, technical. Administrative obstacles may occur when policy-making ministries – the potential data users -- fail to communicate their needs to statistical agencies -- the data collectors. The costs in designing and setting up new or revised surveys, to take account of new needs, can be an obstacle. Costs also affect the frequency and timeliness of surveys. There can also be legal/confidentiality difficulties, preventing for example the merging of data from different sources (e.g. farm and tax filer records). These kinds of difficulties often prevent the transmission of information to analysts outside ministries. Finally, to ensure the co-operation of participants to surveys, who are usually volunteers, there are limits to the burden that can be placed on them.

Political obstacles are not negligible. Participants may not understand or agree that it is legitimate to seek information on total income, *i.e.* on income sources that are not part of the farm business, in particular a spouse's income, investment income and wealth. This affects the rate and quality of responses. Vested interests more generally limit the political will to understand the full income situation of farm households, as it could threaten the legitimacy of income support. As a result, the status quo is often vigorously defended.

To a lesser extent, there are a number of technical obstacles. Coverage of farm households in general surveys is often not representative because they are so few. This can limit the value of general surveys for farm household income analysis and for combining them with farm account information. Wealth, in particular some types of assets such as livestock, forests or vineyards, is difficult to evaluate although there are International Financial Reporting Standards (IFRS), which include International Accounting Standards on agriculture. Another difficulty in keeping track of a panel of farm households is that farms and households are not stable over time.

There are, however, examples of successful countries, where policy-relevant information is collected and used. The need for policy evaluation – it can be made compulsory—and demands for better accountability with respect to public funds are playing an important role. Increasingly, improvements in data collection are requested by Audit Offices. This has happened in Canada and more recently in the European Union.

In terms of costs, budget constraints and the resulting need to better target policies should work as incentives for improving data collection, rather than obstacles. Costs will be lower if data collection is adequate at the central level: individual researchers or local government would not need to collect the same data several times, hence saving for government and surveyed farmers. Data should also be available at a disaggregated level in order to increase the number of potential uses and users (including from the private sector).

Changes in policy should prompt changes in data collection systems. The cost of evaluating a policy should be attached to its funding. Specific data may be generated by the implementation of a policy and the collection cost should be part of programme funds.

There are many ways to reduce the cost of data collection and transmission, for example the use of existing administrative or non-agricultural data sets; the use of telephone interviews or Internet for filling questionnaires or accessing data.

Communication on income issues should be simple and effective so that the need to monitor the income situation and evaluate policies is understood by all. It should focus on key players, who can influence political, policy or funding

decisions. Efforts should be particularly concentrated on improving communication between statisticians, policy makers, and the industry.

International estimation and definition standards, when they exist, can contribute to solving technical, estimation problems and ensuring a certain degree of international consistency. Information technology facilitates access to information, through web sites ensuring confidentiality (FADN, Luxembourg Income Study). It also helps to reduce the time lags in making data available to the public and in answering requests.

In conclusion, obtaining political commitment is crucial. Technical problems can be overcome with sufficient will and resources. Good co-operation between policy makers, analysts and statisticians is essential, but also co-operation between countries is useful. International fora, such as this meeting, networks or the OECD, are places where national statisticians, policy-makers and analysts can work together on harmonisation, exchange best practices between countries and systems, and take account of the diversity of situations. They are also places where awareness of needs can be raised and where practical examples of data usefulness can be given.

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